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**THE INTERIM**

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JUNE 1997

HELENA, MONTANA

VOL. XI NO. 1

## THE INTERIM RETURNS

Publication Resumes...Publication of *THE INTERIM* resumes with this issue and will continue each month through December 1998. The monthly bulletin of legislative activities is published by the Legislative Services Division staff and includes reports on all meetings of legislative committees during the interim. The monthly calendar of activities in each issue will provide current information on all future meetings. "The Back Page" will provide an in-depth analysis each month on a topic of importance to Montanans, such as welfare reform, property taxation, corrections, and utility restructuring.

## ENVIRONMENTAL QUALITY COUNCIL

EQC to meet in June...The Environmental Quality Council (EQC) will meet Tuesday, June 3, 1997.

Interim Work Plan...At its June meeting, the Council will adopt its generalized interim work plan. The Council's work over the interim may include:

- (1) waste tire disposal study;
- (2) continuing the Montana Environmental Policy Act (MEPA) Implementation Project and assisting state agencies in integrating regulatory impacts analysis on private property rights into the MEPA environmental review process;
- (3) update the Council's Montana indicators project;

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- (4) general natural resource and water policy oversight;
- (5) DEQ penalty consistency assessment;
- (6) state/federal primacy issues;
- (7) voluntary best management practice applications; or
- (8) other topics that the Council may wish to pursue.

For more information on these issues or to be placed on the interested persons mailing list, please contact the EQC staff at 444-3742.

## LEGISLATIVE FINANCE COMMITTEE

LFC to Elect New Chairman....The Legislative Finance Committee (LFC) will hold its organizational meeting on June 19 in Room 415, beginning at 8:30 a.m. and elect a new presiding officer (and other officers) for a 2-year term to succeed Representative Matt McCann. By current Committee rules, the next presiding officer must be a Republican senator. The Committee will meet at least once quarterly during the interim period.

Fiscal Report to be Presented...The Legislative Fiscal Analyst's 1999 Biennium Fiscal Report will be presented to a joint meeting of the LFC and the Revenue Oversight Committee on June 19 at 9:00 a.m., in Room 325 of the State Capitol. The presentation will summarize the 1999 biennium budget and fiscal policy enacted by the 55th Legislature.

The printed report will include an Overview volume and two volumes of detailed revenue and agency budget detail. The Overview volume will contain a summary of legislative action on the 1999 biennium budget and fiscal policy, including summary tables and reference data. Copies of the Overview will be distributed to all legislators and state agencies in mid-June. Copies of the other two volumes will be available to legislators upon request. Agencies with a need for additional copies and interested non-state entities will be able to purchase the reports from the Legislative Services Division beginning on June 20. The report will also be available on the Internet. The number of printed volumes available for purchase will be limited.

Committee to Plan Work for Interim...Following the June 19 joint session with the Revenue Oversight Committee, the LFC will reconvene at approximately 11:00 a.m. in Room 415. Additional reports to be presented by the staff of the Legislative Fiscal Division and executive branch personnel will include:

- (1) the LFA 1999 biennium interim workplan;

- (2) status of the legislative branch reorganization;
- (3) status of the Mental Health Managed Care contract;
- (4) status and business plan of the Virginia City/Nevada City properties purchase; and
- (5) a report on the University System operating plan for the 1999 biennium.

**COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS**

Committee has Successful Session...Last interim's Committee on Public Employee Retirement Systems (CPERS) provided the 1997 Legislature with a solid foundation of information on retirement bills introduced during the Session. Here is a numerical overview of the retirement bills and their fate during the 55th Legislature's Regular Session:

Number of retirement bills introduced:	24
Number of introduced bills reviewed by CPERS prior to Session:	18
Number of CPERS-reviewed proposals that received a DO PASS recommendation from CPERS:	15
Number of retirement bills passed and approved:	15
Of those passed and approved, the number that had been reviewed by CPERS:	12
Of those passed and approved that had been reviewed by CPERS, number that had received a DO PASS recommendation:	10

The numbers reveal a significant reduction in the number of retirement bills introduced during legislative sessions. Prior to the legislature's creation of CPERS, legislators were being confronted with an average of 45 retirement-related bills each session.

Additionally, compared with the 1995 Session, fewer retirement bills are



being introduced without first being reviewed by CPERS and only 2 retirement bills were passed without having a CPERS "do pass" recommendation. The Legislature and CPERS members recognize that a CPERS recommendation does not mean that the full Legislature must take that recommendation. The 1997 Legislature chose to kill 5 of the bills that CPERS had recommended be passed.

Legislation Provides Greater Equity Among Law Enforcement...Retirement legislation passed by the 55th Legislature provided more equity within and among Montana's public law enforcement retirement systems. Specifically, the Sheriffs' and Firefighters' Retirement Systems are now on par with the Highway Patrol Officers' and Municipal Police Officers' Retirement Systems' benefit formula, which is based on 2.5% of final average salary per year of service. Additionally, vesting requirements are now the same (5 years) in all of Montana's public retirement systems. Finally, the Game Wardens' Retirement System was expanded to include certain state peace officers with law enforcement responsibilities but who were previously covered under the Public Employees' Retirement System (PERS).

Legislature Enacts a GABA...One of the most significant pieces of retirement legislation passed by the 55th Legislature was HB 170, the guaranteed annual benefit adjustment (GABA). The bill covered all of Montana's public retirement systems except the Teachers' Retirement System and the University System's Optional Retirement Program. Funded by contribution increases, benefit exchanges, and a refinancing of liabilities, HB 170 will provide a 1.5% annual increase in a retiree's base benefit beginning 3 years after retirement. The bill also fixed the chronic under funding of the Judges' Retirement System and completely wiped out the system's unfunded liabilities.

Other Legislation Passed...Other significant retirement legislation included HB 90, which directs CPERS to develop a new or modified PERS and an implementation schedule for the changes. Consequently, during this interim, CPERS will be examining how to convert the PERS from a hybrid defined benefit plan to a pure defined contribution plan or to enhance or enact new defined contribution plan features within PERS. The CPERS will also develop the legislation and the implementation schedule to be followed when making this conversion.

Committee to Continue Work...In addition to developing a new or modified PERS, the CPERS will continue its other statutory duties and will review retirement proposals and develop information and recommendations for the 56th Legislature. A study plan and work schedule is being developed.

For more information or to be placed on the interested persons mailing list, please contact Sheri Heffelfinger, Legislative Services Division, 444-3064.

## JUVENILE JUSTICE AND MENTAL HEALTH STUDY COMMISSION

Juvenile Justice and Mental Health Study Commission Legislative Results... Much of the juvenile justice legislation reviewed by the 1997 Legislature resulted from recommendations made by the Juvenile Justice and Mental Health Study Commission. Of the 7 bills that were introduced by recommendation of the Commission, 5 were successful.

Senate Bill No. 48 (Chapter No. 550)... SB 48 is a major revision of the Montana Youth Court Act. The revisions change the concept of "youth in need of supervision" to "youth in need of intervention". The legislation is intended to more immediately address a youth's behavior, to hold the youth accountable, and to allow intervention in order to effect a change in the youth's behavior.

There is an optional assessment tool added at the front end of the juvenile justice system which may include assessment officers and assessment centers or use of existing out-of-home placements for up to 10 days for assessment of certain youth. The qualifications of an assessment officer are left up to each judicial district's discretion.

Information gathering and sharing are important elements of SB 48. Juvenile probation officers are directed to collect specific, additional information on certain youth. Confidentiality and information-sharing statutes were broadened to include schools in the information loop so that they may share and receive appropriate information. Recent changes in federal law allow schools more latitude in this area. These changes, along with statutory changes made in SB 48, will allow all of the parties in a youth's life to share appropriate information in order to coordinate information from the areas that are affected by a youth's behavior.

Shelter care facilities will now be allowed to be alternative sites for education. The legislation further clarifies that runaways and habitual truants come under the jurisdiction of the Youth Court and further develops the concept of "graduated sanctions". On the front end, the legislation would prevent a youth from being able to dispose of a case with more than one informal consent adjustment or more than one consent decree with a petition involving a second or subsequent felony or three or more misdemeanors. When a youth's continued activity results in offenses that would be crimes if they were committed by an adult, the youth enters further into the system. In order to be able to use a consent decree with a petition, a youth must admit guilt to any charges. Additional dispositions have been added, including detention, placement in a youth assessment center, community services, victim-offender and other types of mediation, and evaluations. The youth may be ordered to pay a victim's counseling costs and other costs of adjudication, disposition, and supervision.

At the deeper end of the system, the provisions requiring transfer to adult court have been strengthened in SB 48 to allow for a county attorney to file a motion for leave to file an information directly in District Court. Accountability has been added as an offense for which a county attorney may make a motion to file in District Court.

A youth who is 17 years of age and commits one of the listed offenses would automatically come before a judge for a determination as to whether the case belongs in District Court. This allows a Youth Court Judge to review the case based on a youth's age and offense and to determine if the circumstances are serious enough to have the youth's case filed in District Court. A filing in District Court would terminate the Youth Court's jurisdiction, and the youth would be treated as an adult.

Victim notification language has been clarified. A victim's statement must be considered in the disposition of a youth, and the disposition must serve the best interest of the victim in addition to the public and the youth.

The maximum age for commitment of youth to the Department of Corrections was lowered to 18 years of age. Provisions regarding parole, formerly known as aftercare, have been streamlined. The Department will be allowed to fingerprint and photograph all youth and may publish information on a youth who has escaped from a correctional facility or program.

Other Legislation Passed...House Bill No. 114 (Chapter No. 286) recodifies and reorganizes the Youth Court Act to make it easier to read and understand.

Senate Bill No. 6 (Chapter No. 168) criminalizes the possession of weapons by youth who are in a detention facility.

Senate Bill No. 15 (Chapter No. 157) directs school districts to adopt policies to ease records transfer of permanent and special education records between schools, so that schools have better knowledge of the youth who are transferring. Special education youth will be identified early and needless duplication of testing will be reduced.

Provisions in Senate Bill No. 99 (Chapter No. 498) addresses issues that led to a District Court decision overturning the Extended Jurisdiction Prosecution Act.

There was an additional bill, Senate Bill No. 46 (Chapter No. 185), introduced by Senator Sprague, a Commission member, that allows for the confiscation of a driver's license by a juvenile probation officer of a youth who is delinquent or in need of intervention through consent adjustment or adjudication.

Training to be Made Available...Training will be provided in conjunction with the Juvenile Probation Officer's Association to assist Youth Court and Department of Corrections employees to understand the changes made to the Youth Court Act. There will also be a Legislative Corrections Standards and Oversight Committee during the 1997-98 interim that will undoubtedly be monitoring the changes to the Youth Court Act and the juvenile justice system as a whole.

## **CORRECTIONAL STANDARDS AND OVERSIGHT COMMITTEE**

Corrections Committee Established...A Correctional Standards and Oversight Committee has been authorized by the Legislative Council. The Committee will



oversee the study included in House Joint Resolution No. 19 on correctional standards and will perform an oversight function for the correctional system that is demanding so much of the state's financial resources.

Senator John Harp, senior senator on the Committee, has tentatively called the first meeting for Friday, June 27 in Helena at the State Capitol, Room 104.

If you have any questions or are interested in being placed on the interested persons mailing list, please contact Susan Fox, Legislative Services Division, 444-3064.

## LEGISLATIVE AUDIT COMMITTEE

Audit Committee to Meet...The Legislative Audit Committee is scheduled to meet June 18 and 19, 1997, in Room 104 in the Capitol. The following reports are tentatively scheduled to be presented.

### Performance Audit:

Noxious Weed Program: Department of Agriculture, Department of Transportation, and County Weed Districts (96P-13)

Lease vs. Build Analysis: Helena-area State Office Space (96P-02)

Vocational Rehabilitation, Department of Public Health and Human Services (96P-04)

Montana Lottery Security, Department of Commerce (96P-01)

### Financial-Compliance Audits:

The University of Montana - all campuses

Department of Natural Resources and Conservation (96-18)

Department of Environmental Quality (96-17)

Department of Fish, Wildlife and Parks (96-20)

Department of Revenue (96-15)

Department of Labor and Industry (96-14)

Department of Corrections (96-16)

Statewide Audit (96-1)

EDP Audit Followup:

Montana State University - Bozeman (97DP-03)

## REVENUE OVERSIGHT COMMITTEE

Committee Meets June 19...The Revenue Oversight Committee will meet at 8:30 a.m. Thursday, June 19 in Room 108 of the State Capitol. The first order of business will be the election of officers. At 9:00 a.m. the Committee will meet jointly with the Legislative Finance Committee in Room 325 (old Supreme Court chambers) to review the expenditure and revenue report prepared by the Legislative Fiscal Analyst.

Following the joint meeting the Committee will reconvene in Room 108. Although the agenda has not been set, items for discussion will include:

- the taxation of electric utilities and natural gas utilities. SB 390 (electric utility restructuring) and SB 396 (natural gas utility restructuring) requires the Committee to conduct a tax revenue analysis of these utilities;
- the Committee's revenue estimating procedures and processes;
- the new beer and wine licenses created under SB 354 and whether to undertake an examination of the alcoholic beverage quota system in general;
- statutory duties of the Committee including coal tax oversight; and
- other issues of interest.

Committee Bats 1,000 in Legislative Requests...The Revenue Oversight Committee requested 5 bills (not counting the revenue estimating resolution) for introduction during the 55th Legislature, and each of those measures was enacted into law. The most significant, SB 57, revised the taxation of passenger vehicles and heavy trucks. The bill was the result of a study by the Committee to improve the equity of motor vehicle taxation, to increase efficiency by revising and simplifying the method of taxation, and to maintain revenue neutrality. Beginning January 1, 1998, passenger vehicles will be taxed at 2% of the depreciated value of the manufacturer's suggested retail price. The new law contains separate depreciation schedules for automobiles, vans, light trucks, and sport utility vehicles. Heavy trucks (trucks having a rated capacity of more than 1 ton) and buses will be subject to a fee in lieu of property tax based on the age and rated capacity of the vehicle. Personal property attached to these vehicles will be exempt from taxation. All heavy trucks (locally assessed and interstate vehicles) will be subject to the fee in lieu of tax on the same basis. Previously, interstate vehicles were valued differently than in-state vehicles. The

schedule of fees corresponds to the reduction in class eight personal property tax rates to 6% beginning January 1, 1998. The Department of Justice will administer the new methods of taxing vehicles, except for interstate fleets. The bill was amended on the House floor to remove the provisions related to the taxation of passenger vehicles. Those provisions were later restored. However, the bill directs the Legislative Audit Committee to conduct an analysis of alternative methods of classification, valuation, and taxation of automobiles and light trucks. A related measure was SB 26. This bill revises the taxation of certain trailers by imposing a fee in lieu of property tax on trailers, pole trailers, and semitrailers having a declared weight of less than 26,000 pounds. The measure exempts from property taxation all campers and truck toppers.

Other Committee bills included SB 7, SB 20, and HB 70. Senate Bill 7 revises the distribution of the metal mines tax by providing 15.5 percent of the metal mines tax is distributed in same manner as the resource indemnity and ground water assessment tax. The bill was rendered ineffective by SB 377. That measure provides that 8.5 percent of the metal mines tax is allocated to the "orphan share" account for the purposes of the clean-up of abandoned mines. Senate Bill 20 revises the definition of the average mill levy applied to rail car company property operating in the state. The average mill levy applied to this property is 95% of the average mill levy for commercial and industrial property. The provision codifies the tax rate agreed to by the Department of Revenue and rail car companies under a negotiated tax agreement. House Bill 70 exempts recreational leases from the beneficial use property tax unless the lessee has exclusive use of the property. The genesis of the measure was the intention of the Department of Revenue to subject previously untaxed ski areas located on federal land to the beneficial use tax.

For more information about the Revenue Oversight Committee or to be included on the Committee's interested persons mailing list, contact Jeff Martin at the Legislative Services Division, 444-3064.

## COMMITTEE ON CHILDREN AND FAMILIES

Legislative Report...The 55th Legislature passed five of the six bills requested by the Joint Interim Committee on Children and Families.

Senate Bill No. 8 (Chapter No. 103) adds ephedrine to the list of Schedule IV dangerous drugs. The introduced bill was amended to clarify what products with ephedrine are not included.

House Bill No. 66 (Chapter No. 318) establishes a child-care resource and referral and child-care improvement grant program; defines "professional training", "school-age" and "school-age care"; and specifies priorities for grants. The introduced bill was amended to clarify the definitions involving "school-age" and to add to and to clarify the grant priorities. This bill established the program, but did not appropriate money.

Senate Bill No. 92 (Chapter No. 173) revises the composition and duties of

the Interagency Coordinating Council. The introduced bill added the Director of the Department of Corrections to the ICC and specified that the ICC was responsible for developing a unified budget and benchmarking. The bill was amended to include the state Coordinator of Indian affairs on the ICC.

Senate Bill No. 94 (Chapter No. 257) requires the Joint Oversight Committee on Children and Families to conduct a self-evaluation of the committee's performance. The bill was not amended. The Committee had requested this bill in the context of a budget request for \$20,000 and in conjunction with SB 93, a bill to require that appropriation requests for children and family services programs include information related to how the programs are to be evaluated. The Committee's budget request was reduced to \$12,000, and SB 93 was tabled in the Senate State Administration Committee.

House Bill No. 159 (Chapter No. 222) allows the Montana Department of Public Health and Human Services to seek enforcement of child care standards in Justice, City, and Municipal Courts in addition to District Courts.

Legislature Revises Domestic Relations Laws...In addition to the above Committee legislation, the Legislature passed a significant revision of domestic relations statutes relating to child custody and visitation issues. This bill, HB 231, was of on-going interest to the Children and Families Committee, though not a Committee bill, and will require that parents adopt a specific parenting plan before dissolving their marriage when children are involved.

Committee Continues Work...As a permanent oversight committee, the Joint Oversight Committee on Children and Families will be meeting throughout the interim to examine and monitor issues affecting Montana's children and families. A study plan and work schedule is being developed.

For further information or to be placed on the interested persons mailing list, please contact Leanne Kurtz, Legislative Services Division, 444-3064.

## LEGISLATIVE SERVICES DIVISION

### **LIBRARY**

Legislative Committee Minutes...Records for 1997 Montana legislative committees are presently being finalized and archived. 1997 House minutes do not include summary of testimony but are a record of all committee actions and votes. All House committee minutes and meeting tapes have been transmitted to the Historical Society Archives. Senate minutes include summary of testimony which requires more time to produce so there is a longer lag time before these are available, but most Senate minutes are done.

The Legislative Services Division (LSD) will be publishing committee minutes



on CD-ROM. The CD will include the electronic version of the minutes and scanned images of all exhibits except for lengthy items. At present, the LSD has electronic versions of all completed minutes and can access the scanned exhibits though the process is somewhat time consuming. The Historical Society Archives has paper copies of all minutes and exhibits. The Law Library is still determining what form of access to minutes they will provide for this session.

If legislators or staff are interested in seeing a particular set of minutes or in checking on the status of a committee record, call 444-3064 and ask for Lenore, Beth, or Dianna in the Legislative Library.

Monthly Publication Lists...Each month, the Legislative Library produces lists of publications added to the collection and of periodical articles relevant to our work. Several legislators receive these lists regularly. If you'd like to be added to the mailing list (or to receive the lists by electronic mail), just call or send a request to Beth at the Legislative Services Division, 444-3064.

Note that while some of the books on these lists are state publications or in the public domain so that copying is not a problem, other titles have been purchased out of office funds for staff use in support of interim committee activity. In these cases, we may not be able to send you the office reference copy of a publication. Often, we can help you locate the particular information you're after or locate a copy of a title in a library near to you. All questions are welcomed, and we will do our best to respond to your legislative information needs within the constraints of our budget.

## INTERIM COMMITTEE ASSIGNMENTS

House and Senate Appoint Members...The Speaker of the House and the Senate Committee on Committees have appointed the following legislators to interim legislative committees.

### LEGISLATIVE CONSUMER COUNCIL

Rep. Sonny Hanson  
Rep. Joe Quilici

Sen. John Harp  
Sen. J.D. Lynch

### RESERVED WATER RIGHTS COMPACT COMMISSION

Rep. Sam Rose  
Rep. Toni Hagener

Sen. Chuck Swysgood  
Sen. Bea McCarthy

### ENVIRONMENTAL QUALITY COUNCIL

Rep. Vicki Cocchiarella  
Rep. Kim Gillan  
Rep. George Heavy Runner  
Rep. Karl Ohs

Sen. Vivian Brooke  
Sen. Bea McCarthy  
Sen. Ken Mesaros  
Sen. Bill Crismore

Rep. Bill Tash  
Jerry Sorenson  
Jeanne-Marie Souvigny

Sen. Lorents Grosfield  
Sen. Bill Wilson  
Bill Snoddy  
Greg Tollefson

## LEGISLATIVE FINANCE COMMITTEE

Rep. Royal Johnson  
Rep. Steve Vick  
Rep. Tom Zook  
Rep. Matt McCann  
Rep. Ray Peck  
Rep. Bob Raney

Sen. Tom Beck  
Sen. Loren Jenkins  
Sen. Chuck Swysgood  
Sen. Eve Franklin  
Sen. Greg Jergeson  
Sen. Chris Christiaens

## LEGISLATIVE AUDIT COMMITTEE

Rep. Ernest Bergsagel  
Rep. Bob Keenan  
Rep. Bruce Simon  
Rep. Beverly Barnhart  
Rep. Toni Hagener  
Rep. Bob Pavlovich

Sen. Reiny Jabs  
Sen. Tom Keating  
Sen. Ken Miller  
Sen. Linda Nelson  
Sen. Fred Van Valkenburg  
Sen. Sue Bartlett

## REVENUE OVERSIGHT COMMITTEE

Rep. Shiell Anderson  
Rep. Chase Hibbard  
Rep. Robert Story  
Rep. Dan Harrington  
Rep. Bob Ream  
Rep. Joe Tropila

Sen. Bob Depratu  
Sen. Mike Foster  
Sen. Don Hargrove  
Sen. Mike Halligan  
Sen. Fred Van Valkenburg  
Sen. Mignon Waterman

## SUBCOMMITTEE ON VETERANS' NEEDS

Rep. Roger DeBruycker  
Rep. Harriet Hayne  
Rep. John Johnson  
Rep. Dorothy Simpson

Sen. Don Hargrove  
Sen. Dale Mahlum  
Sen. Eve Franklin  
Sen. Spook Stang

## FUTURE FISHERIES REVIEW PANEL

Rep. Cliff Trexler

Sen. Ken Mesaros

## GAMING ADVISORY COUNCIL

Rep. Matt Denny

Sen. Sharon Estrada

## LEGISLATIVE OVERSIGHT COMMITTEE ON MONTANA-ARCO LITIGATION

Rep. Liz Smith  
Rep. Jon Ellingson

Sen. Dale Mahlum  
Sen. Mike Halligan

## ADMINISTRATIVE CODE COMMITTEE

Rep. Paul Bankhead  
Rep. Gay Ann Masolo  
Rep. Deb Kottel  
Rep. Diane Sands

Sen. Larry Baer  
Sen. Walt McNutt  
Sen. Steve Doherty  
Sen. Dorothy Eck

## COMMITTEE ON INDIAN AFFAIRS

Rep. Jay Stovall  
Rep. Allan Walters  
Rep. Linda McCulloch  
Rep. Gerald Pease

Sen. Loren Jenkins  
Sen. Jim Burnett  
Sen. Dorothy Eck  
Sen. Linda Nelson

## OVERSIGHT COMMITTEE ON CHILDREN AND FAMILIES

Rep. Loren Soft  
Rep. Bob Lawson  
Rep. Carolyn Squires  
Rep. Bill Whitehead

Sen. Sharon Estrada  
Sen. Bill Glaser  
Sen. Vivian Brooke  
Sen. Dorothy Eck

## COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS

Rep. Matt Brainard  
Rep. Doug Mood  
Rep. Patrick Galvin  
Rep. Diana Wyatt

Sen. Mike Taylor  
Sen. John Hertel  
Sen. Sue Bartlett  
Sen. Vivian Brooke

## LEGISLATIVE COUNCIL

Rep. Larry Grinde  
Rep. John Mercer  
Rep. Paul Sliter  
Rep. Vicki Cocchiarella  
Rep. Ray Peck  
Rep. William "Red" Menahan

Sen. Al Bishop  
Sen. Bruce Crippen  
Sen. Gary Aklestad  
Sen. Mike Halligan  
Sen. Debbie Shea  
Sen. Chris Christiaens

## ELECTRIC UTILITY RESTRUCTURING TRANSITION ADVISORY COMMITTEE

Rep. Ernest Bergsagel  
Rep. Joe Quilici  
Rep. Larry Grinde  
Rep. Bill Ryan

Sen. Mike Foster  
Sen. Fred Thomas  
Sen. J.D. Lynch  
Sen. Bill Wilson

## PROPERTY TAXATION STUDY COMMITTEE

Rep. Bill Carey  
Rep. Dan Harrington  
Rep. Emily Swanson  
Rep. Alvin Ellis, Jr.  
Rep. Robert Story  
Rep. Lila Taylor

Sen. Gerry Devlin  
Sen. Mike Sprague  
Sen. Del Gage  
Sen. Steve Doherty  
Sen. Linda Nelson  
Sen. Spook Stang

## MICROBUSINESS ADVISORY COUNCIL

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Rep. Billie Krenzler

Sen. Ric Holden  
Sen. Dorothy Eck

## POSTSECONDARY EDUCATION POLICY AND BUDGET COMMITTEE

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Rep. Ray Peck  
Rep. Betty Lou Kasten  
Rep. Carly Tuss

Sen. Del Gage  
Sen. Daryl Toews  
Sen. Bea McCarthy  
Sen. Mignon Waterman

## HEALTH CARE ADVISORY COUNCIL

Rep. Scott Orr  
Rep. Carolyn Squires

Sen. Reiny Jabs  
Sen. Eve Franklin

## OVERSIGHT COMMITTEE ON STATE MANAGEMENT SYSTEMS

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Rep. Deb Kottel  
Rep. Tim Dowell  
Rep. Bill Rehbein

Sen. Mike Taylor  
Sen. Mack Cole  
Sen. Greg Jergeson  
Sen. Sue Bartlett

## TELECOMMUNICATIONS TASK FORCE

Rep. Norm Mills  
Rep. Joe Quilici

Sen. Walt McNutt  
Sen. Spook Stang

## TRANSPORTATION FUNDING STUDY COMMITTEE

Rep. Shiell Anderson  
Rep. Ed Grady  
Rep. David Ewer  
Rep. Joe Tropila

Sen. Chuck Swysgood  
Sen. Mack Cole  
Sen. Spook Stang  
Sen. Debbie Shea

## CORRECTIONAL STANDARDS AND OVERSIGHT COMMITTEE

Rep. Ernest Bergsagel  
Rep. Dan McGee  
Rep. Diana Wyatt  
Rep. William "Red" Menahan

Sen. John Harp  
Sen. Arnie Mohl  
Sen. Chris Christiaens  
Sen. Bea McCarthy

## DEDICATED REVENUE AND STATUTORY APPROPRIATIONS

LFC to Study Dedicated Revenues...The Legislative Finance Committee (LFC) introduced HB 166 which was enacted by the 1997 Legislature. The bill was the result of SB 378 (enacted by the 1993 Legislature) that requires the LFC to review in the interim each dedicated revenue provision (state special revenue accounts) to



ensure that it is based on sound principles of revenue dedication, reflects legislative priorities for state spending, and is terminated when it is no longer needed.

Specific evaluation criteria to be used in the review are provided in statute. The LFC is also directed to review all statutory appropriations (those appropriations made in statute, rather than in temporary appropriations bills) to determine if the appropriation should be made by a temporary appropriation, with emphasis on those that fund administrative costs. HB 166 revises the laws concerning dedicated revenue and statutory appropriations and results in a reduction in both earmarked revenue and statutory appropriations.

Statutory State Special Revenue Accounts...In the last interim, the LFC reviewed state special revenue accounts to determine if any of the accounts should be eliminated and introduced HB 166 to implement its recommendations for elimination. With elimination, the revenues that had gone to the account and been appropriated as state special revenue would be deposited to the general fund. HB 166 de-earmarked 10 dedicated revenue accounts for a biennial total of \$99.6 million. Included in this total is revenue de-earmarked from the long-range building debt service fund to the general fund. Any program that had received an appropriation from the account in HB 2, received a HB 2 general fund appropriation. With the passage of HB 166, state special revenue appropriations were reduced and general fund appropriations increased by like amounts. Since revenues increase the same amounts as the increase in appropriations, there is no total impact to the general fund. However since the programs will be funded from the general fund rather than an earmarked source, the Legislature will be able to better prioritize funding for the programs given available revenue and competing demands. In addition, HB 166 earmarks certain motor vehicle taxes to the state special revenue fund. This money is statutorily appropriated to the Judiciary.

Statutory Appropriations...HB 166 eliminates 22 statutory appropriations in order to allow for legislative review of the programs and to provide specific appropriations. As a result, three appropriations were added to HB 2, totaling \$247,272. The legislation also adds a general fund statutory appropriation to pay the statutorily required state lands equalization payments (approximately \$1.2 million for the biennium) and, for fiscal 1997 only, increased the Governor's general fund emergency statutory appropriation from \$2.0 million to \$4.0 million and included floods as a use of the \$10.0 million general fund wildfire statutory appropriation.

In addition, HB 166 adds guidelines for reviewing and establishing statutory appropriations and requires that the Office of Budget and Program Planning prepare a fiscal note for legislation creating or amending a statutory appropriation.

1997 LEGISLATIVE RECAPITULATION

Last Updated: 05/28/97

1997 MONTANA LEGISLATURE  
GRAND TOTALS

INTRODUCED

House .....	651	
Senate .....	437	
Total .....		1088

VOTED DOWN (on 2nd reading or 3rd reading)

House .....	37	
Senate .....	32	
Total .....		69

DIED IN COMMITTEE (includes tabled bills/adverse com rpts)

House .....	253	
Senate .....	147	
Total .....		400

DIED IN PROCESS (includes bills left in conf com process)

House .....	2	
Senate .....	2	
Total .....		4

PASSED BY LEGISLATURE

House .....	359	
Senate .....	256	
Total .....		615

VETOED (NOT OVERRIDDEN)

House .....	2	
Senate .....	2	
Total .....		4

BILLS PENDING RESULTS OF MAIL POLL TO OVERRIDE VETO

House .....	3	
Senate .....	0	
Total .....		3

ADOPTED; SIGNED INTO LAW; FILED AS SESSION LAW *		
House .....	354	
Senate .....	254	
Total .....		608

\* Note that this category includes adopted resolutions, bills passed by the Legislature that do not require the governor's signature, and bills that have become law via a veto override, in addition to bills signed by the governor.

## THE BACK PAGE

At the end of the day, the 55th Legislature showed a robust curiosity in a range of public policy matters. Legislators maintained and even expanded on the decade-old trend of requiring interim studies by bill rather than requesting interim studies by joint resolution. The 1997 Session culminated with no fewer than 10 separate studies required by bills, leaving little, if any, staff resources within the Legislative Services Division (LSD) to accommodate other matters. (And those 10 studies don't include the inquiries assigned to the Legislative Finance Committee and LFD, the Legislative Audit Committee and LAD, the Environmental Quality Council and LSD/LEPO, the Legislative Consumer Committee and Consumer Counsel, or the various advisory councils and task forces present in nearly every agency of state government.) In the first "Back Page" of the interim, David Bohyer outlines the work to be done over the next 19 months by the staff of the Legislative Services Division.

### **The 55th Legislature is a Curious Bunch**

by David Bohyer, Research Director  
Montana Legislative Services

#### **INTRODUCTION**

Under 5-5-217(1), MCA, the Legislative Services Division (LSD) prepares on behalf of the Legislative Council a list of studies requested by joint resolution and conducts a poll of all 150 legislators to ascertain the general rank of the studies requested by joint resolution. The 1997 poll was mailed to legislators on Thursday, April 24, 1997, the day "immediately following adjournment sine die", as required by law. Completed ballots from the poll were collected through the week ending May 9, 1997, and the rank of each study requested by resolution was gleaned by recording the votes from each return.

Of the 150 legislators polled, the LSD staff received 124 responses, an 83% rate of return and one of the highest turnouts in recent times. (Congratulations and thank you!)

#### **POLL RESULTS AND LSD STAFF RECOMMENDATION**

Table 1 shows the results of the 1997 interim study poll conducted between April 24, 1997, and May 9, 1997.



Table 1  
1997 Interim Study Poll Results

JOINT RESOLUTION	TOTAL VOTES	NUMBER OF LEGISLATORS CASTING:		
		ONE VOTE	TWO VOTES	THREE VOTES
HJR 4 - Property Management Study	39	26	5	1
HJR 14 - Mandates	50	29	6	3
<b>HJR 19 - Correction standards</b>	<b>125</b>	<b>51</b>	<b>16</b>	<b>14</b>
HJR 23 - School elections	35	23	3	2
SJR 4 - Family farms/ranches	53	22	8	5
SJR 14 - Telemarketing fraud	56	38	6	2

The staff of the LSD Office of Research and Policy Analysis initially reviewed the results of the interim study poll, current staffing and fiscal resources, and offers of assistance from other entities. Based on the review, the staff recommended that the Legislative Council select only the top-ranked study of the interim studies requested, HJR 19--a study of corrections standards. The HJR 19 study was ranked first by more than a 2-to-1 margin over two other studies that were virtually tied for second place: SJR 14 (telemarketing fraud); SJR 4 (preserving and enhancing family farming and ranching).

The LSD staff recognized that each of the studies requested may be important to Montana and is viewed as particularly important, even vital, to certain interests. Emphasizing the limits of resources available for supporting interim committees and activities and taking the cue from previous Legislative Councils, the LSD staff respectfully recommended that the Legislative Council select only HJR 19 as an interim study for 1997-98 in addition to the various studies and activities required by law.

LEGISLATIVE COUNCIL DELIBERATIONS

The Legislative Council met on May 19 and, under the authority and responsibility accorded the Council under 5-5-217, MCA, selected HJR 19 as the top priority from among the six studies requested by joint resolution. The Council also expanded the HJR 19 study to include general oversight and examination of the Department of Corrections and corrections policy and assigned the broad duties and responsibilities to the Correctional Standards and Oversight Committee.

The Legislative Council also addressed the concerns of Montana senior citizens and others in regard to telecommunications fraud. Some 50 members of the American Association of Retired Persons (AARP) descended upon the Capitol and the Council meeting on May 19 showing their commitment to addressing telecommunications fraud. The response chosen by the Council was to authorize LSD staff to prepare draft legislation that will address the concerns of AARP and others, as well as telemarketers. Subsequently, the Telecommunications Task Force will provide the forum for public dissemination and discussion of the provisions of the draft legislation. By choosing this alternative, the Council's intent was to appropriately respond to the identified issues while also minimizing the impact on staff and budgets.

Additionally, the Legislative Council agreed to consider at its July 19 meeting the issues associated with Montana's implementation of federal welfare reform, including SB 374, other matters of substance, and likely implications. Once the concepts to be examined are more clearly delineated, the Council will decide whether or not the issue should be pursued during the 1997-98 interim. If they agree that it should be, they will then consider which committee, if any, should be assigned the study, if a committee should be created for the special and focused nature of the topics, if a series of staff "white paper" investigations might accomplish the goals, or some other option identified between now and then.

#### ADDITIONAL STUDIES AND COMMITTEES

But these three study issues are only the tip of the investigation iceberg. The 55th Legislature also commissioned a variety of other studies and committees that will be supported by LSD staff, including:

- by the Revenue Oversight Committee (ROC), general matters of taxation and revenue;
- by the ROC, the tax and revenue implications of electric and natural gas utility restructuring (SB 390/396);
- by the Indian Affairs Committee (IAC), general matters involving Native Americans;
- by the IAC, an investigation of options for enhancing economic development, income, and employment, with a goal of reducing costs to the state DPHHS and Department of Corrections;
- by the Committee on Children and Families (CCF), all aspects of public programs and efforts relating to children and families, ranging from prenatal care to care for the elderly, teen pregnancy issues, foster care, health care, juvenile crime, etc.;

- by the Committee on Public Employee Retirement Systems (CPERS), proposals for revisions to existing retirement systems (HB 91);
- also by the CPERS, conversion from defined benefits to defined contribution plans for public employees (HB 90);
- veterans' issues (HB 19) by the Committee on Veterans' Issues;
- state management systems and oversight of the MT PRRIME enterprise (HB 89 and HB 188) by the Committee on State Management Systems;
- the socioeconomic impacts of gambling (HB 615);
- property taxation and a menu of alternatives to Montana's property tax system (SB 195) by the Interim Property Tax Committee; and
- by the Transition Advisory Committee (TAC), electric and natural gas utility restructuring (SB 390/396).

The other permanent legislative committees -- Legislative Council, Legislative Audit Committee, Legislative Finance Committee, Administrative Code Committee, Environmental Quality Council, and Legislative Consumer Committee -- will also adopt interim work plans in the coming weeks that will occupy the committees and staff of the Legislative Branch, as well as others, for the remainder of the 1997-98 interim.

A list of the members appointed to the various committees appears elsewhere in this edition of *THE INTERIM*. If you have questions about any of the committees or other matters, please contact the LSD at 444-3064.



## INTERIM CALENDAR

UNLESS OTHERWISE SPECIFIED,  
ALL ROOM DESIGNATIONS ARE IN THE CAPITOL

### JUNE

June 18 and 19, Legislative Audit Committee, Room 104

June 19, Legislative Finance Committee, Room 415, 8:30 a.m.

June 19, Revenue Oversight Committee, Room 108, 8:30 a.m.

June 19, Legislative Finance Committee and Revenue Oversight Committee, Room  
325, 9 a.m.

June 27, Correctional Standards and Oversight Committee, Room 104



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